

AN ACT

ENTITLED, An Act to revise the rate of interest on property tax certificates and delinquent taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 54-3-16 be amended to read as follows:

54-3-16. The official state interest rates, as referenced throughout the South Dakota Codified Laws, are as follows:

- (1) Category A rate of interest is four and one-half percent per year;
- (2) Category B rate of interest is ten percent per year;
- (3) Category C rate of interest is twelve percent per year;
- (4) Category D rate of interest is one percent per month or fraction thereof;
- (5) Category E rate of interest is four percent per year;
- (6) Category F rate of interest is fifteen percent per year; and
- (7) Category G rate of interest is five-sixth percent per month or fraction thereof.

Section 2. That § 10-9-12 be amended to read as follows:

10-9-12. Any tax not paid within the period prescribed in § 10-9-10 is subject to a penalty of the Category G rate of interest as established in § 54-3-16. The penalty shall attach and be a charge upon the tax.

Section 3. That § 10-21-7.3 be amended to read as follows:

10-21-7.3. Any property taxes remitted by electronic transmission pursuant to § 10-21-7.1 are delinquent if not remitted by the third day of the month following the month the taxes are due. However, notwithstanding the provisions of § 10-21-23, the first half of property taxes are not delinquent if the fifth payment made monthly pursuant to §§ 10-21-7.1 to 10-21-7.3, inclusive, is credited to the bank account designated by the county treasurer on or before May first. If taxes become delinquent pursuant to this section, interest shall be added to the delinquent taxes at the Category G rate as established pursuant to § 54-3-16 for each day the taxes are delinquent.

Section 4. That § 10-21-23 be amended to read as follows:

10-21-23. On the first day of May of the year after which taxes have been assessed, one-half of all unpaid real estate taxes are delinquent. However, all real estate taxes totaling fifty dollars or less shall be paid in full on or before April thirtieth. On the first day of each month thereafter there shall be added as interest on the delinquent taxes at the Category G rate of interest as established in § 54-3-16. If the other half is not paid on or before the thirty-first day of October of the same year, that also becomes delinquent on November first and the same interest shall attach in the same manner.

Section 5. That § 10-23-23 be amended to read as follows:

10-23-23. All real property sold for delinquent special assessments pursuant to § 10-23-1 and not redeemed shall be entered by the county treasurer upon the duplicate tax lists of the county for the succeeding years and noted upon all duplicate tax receipts for the real property. The county treasurer shall add to the amount of each special assessment so certified interest at the Category G rate of interest as established in § 54-3-16, and ten cents on each lot or parcel of ground for the cost of advertising. No other costs or penalties may be added except as provided by law for certificate of sale, deed, and acknowledgment.

Section 6. That § 10-23-25 be amended to read as follows:

10-23-25. If the county treasurer of any county bids off any real property in the name of the county, the treasurer shall make out a certificate of purchase to the county in the same manner as if sale had been made to any other person. The certificate shall be retained by the treasurer, but no tax receipt may be issued and no amount may be due the state, or any other fund. No treasurer's commission may be paid by the county until redemption has been made from the sale or the time of redemption has expired, or until the interest of the county has been assigned. The certificate issued to the county shall bear interest at the Category G rate of interest as established in § 54-3-16.

Section 7. That § 10-27-5 be amended to read as follows:

10-27-5. If the party seeking relief asserts the invalidity of the tax, its application or its legal

existence as a lien or claim against the property involved, as distinguished from irregularities in procedure no tender may be required as to any portion properly asserted to be invalid or void as a tax for any reason going to its base or legal existence. In all such cases, the court in the action or proceeding shall first determine the question of the legality or existence of any tax and, if necessary, to make proper assessment, calculation, and order as to the amount, if any, which should have been legally paid. All of this shall be determined as of the date when the assessment and levy was or should have been made, except that the due date of the tax shall be established as the first day of January next following the date when an assessment originally was or should have been made. The court shall enter its order directing the party seeking relief to deposit a sum with interest at the Category G rate of interest as established in § 54-3-16 from the date when the tax originally became or should have become due.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1179

Chief Clerk
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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1179

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Ass. Secretary of State